

HAF RFP Questions and Responses

Dated 6/18/21

- QUESTION 1** In Appendix A, Section 1, Subsection B (page 19), the RFP references the “support and integration as needed to IHCDCA payment processing and systems.”
- a.) Please provide greater detail on these systems, including the extent of the “support” intended to be provided.
 - b.) Please describe how integrations are envisioned to be achieved and whether APIs are available.

ANSWER IHCDCA uses a proprietary internal Data Management System (DMS), as well as Microsoft Dynamics GP. The HAF application processing platform must be able to export data that can integrate into DMS and Dynamics GP. The software vendor will be responsible for providing the appropriate interface(s) as needed.

- QUESTION 2** In Appendix A, Section 3, Payment Processing (page 21), the RFP references “common payment methods (e.g., ACH, Check).” Please explain any preferences IHCDCA may have for banking partners (including existing State of Indiana or Indiana Housing & Community Development Authority banking partners).

ANSWER JP Morgan Chase Bank is IHCDCA’s banking partner for HAF

- QUESTION 3** Is the state looking for loan underwriting application in addition to a rental assistance application?

ANSWER This RFP is related to mortgage loan applications ONLY.

- QUESTION 4** What are the underwriting capabilities that should be included?

ANSWER Underwriters should be capable of reviewing information and documentation typical to single family mortgage loan applications and be able to make eligibility determinations using criteria provided by IHCDCA.

- QUESTION 5** Specifically, what mobile closing services should be included?

ANSWER Mobile closings must be made in the presence of a Notary Public, with verification of borrower identity and provision of document copies to borrower.

- QUESTION 6** Please describe, in detail, the eligibility requirements that will need to be evaluated.

ANSWER Eligibility requirements are still in draft form. The current draft requirements are as follows:

Eligible Homeowners	<p>Eligible Homeowners for the Mortgage Assistance Program must meet the following criteria:</p> <ul style="list-style-type: none"> • Homeowner must have experienced a Qualified Financial Hardship on or after January 21, 2020 associated with the coronavirus pandemic. • Homeowner must have owned the home on or before January 1, 2020. • Homeowner must currently own and occupy the property as their primary residence. • Homeowner must meet the Homeowner Income Eligibility Requirements. • Homeowner must attest that they experienced a financial hardship after January 21, 2020. The attestation must describe the nature of the financial hardship. • Homeowners who have previously filed for bankruptcy but who are no longer in bankruptcy must provide proof of court ordered “discharge” or “dismissal”. • Homeowner must complete and sign Affidavit, Application, Disclosures, and 3rd Party Authorization forms. • Homeowner agrees to provide all necessary documentation to satisfy program guidelines within timeframes established by IHCD, including self-certification or attestation of socially disadvantaged status, as applicable. • The original, unpaid principal balance of the homeowner’s first mortgage or housing loan, at the time of origination, was not greater than the conforming loan limit in effect at time of origination. <p>Co-owners are not permitted to separately apply for program assistance.</p>
Eligible Legal Ownership Structures	<p>“Eligible Legal Ownership Structures” include only the following:</p> <ul style="list-style-type: none"> • Those where the home is owned by a “natural person” (i.e., LLP, LP or LLC <u>do not</u> qualify) • Those where the homeowner has transferred their ownership right into non- incorporated, Living Trusts, provided the homeowner occupies the home as the primary/principal residence.
Qualified Financial Hardship	<p>A “Qualified Financial Hardship” is a material reduction in income, medical hardship, or death associated with the coronavirus pandemic that has created or increased a risk of mortgage delinquency, mortgage default, or foreclosure for a homeowner. The hardship MUST have occurred on or after January 21, 2020.</p>
Homeowner Income Eligibility Requirements	<p>With respect to all borrowers:</p> <ul style="list-style-type: none"> • Must own only one mortgaged home in the State of Indiana; • Must submit an affidavit and supporting documentation identifying a COVID-19-related financial hardship that occurred on or after January 21, 2020; • Current household income must be at or below 140% of AMI, adjusted for borrower household size; <p>In addition, one of the following must apply:</p>

	<ul style="list-style-type: none"> • For Monthly Assistance or Monthly Assistance with Reinstatement borrowers: <ol style="list-style-type: none"> a) Lender validated monthly first mortgage payment must exceed 25% of the borrower's gross monthly household income, excluding unemployment insurance benefits, and b) Following the reinstatement portion of assistance, if applicable, there must be sufficient funds available within the Maximum Household Assistance cap to allow IHCD to make at least 3 monthly mortgage payments to the servicer. <p>or:</p> <ul style="list-style-type: none"> • For Reinstatement-Only borrowers: <ol style="list-style-type: none"> a) Must have a current maximum front-end housing debt-to-income ratio of 38%;
Eligible Properties	<p>"Eligible Properties" are those that are:</p> <ul style="list-style-type: none"> • Single-family (attached or detached) properties • Condominium units • 1 to 4-unit properties where the homeowner is living in one of the units as their primary residence. • Manufactured homes permanently affixed to real property and taxed as real estate
Program Launch	The program will launch during the third quarter of 2021 (Q3-2021).
Program Duration	The period of performance for the HAF award ends September 30, 2026. IHCD plans to disburse all funds by June 30, 2026.
Application Process	Homeowners will apply electronically using an online application portal procured by IHCD. Accommodations may be made for applicants who are unable to apply electronically.
Required Application Documents	<ul style="list-style-type: none"> • HAF application • Third Party Authorization (TPA) and Disclosure Form • Qualifying hardship attestation and supporting documentation from homeowner certifying and identifying the eligible hardship and that it occurred on or after January 21, 2020, as required • Mortgage Statement • Income documentation; W2's, paystubs, previous years' tax returns or alternative income documents as applicable.
Program Exclusions	<ul style="list-style-type: none"> • Open "line of credit" loans. • Vacant, abandoned, or condemned properties • Properties for which the occupant is not the deeded owner (except properties held in non-incorporated, Living Trusts) • Properties owned by Limited Partnerships, Limited Liability Partnerships, Limited Liability Companies, or other incorporated entities • Properties located outside the State of Indiana

QUESTION 7 What are some of the fraud protection capabilities should be included beyond duplicate application detection?

ANSWER Respondents are encouraged to detail what, if any, fraud capabilities they can provide beyond duplicate application detection.

QUESTION 8 What is the source of the mortgage legal descriptions? Will they be manually or automatically updated?

ANSWER IHCD is exploring options for automated legal descriptions.

QUESTION 9 In Section 4: RFP Submission Items, there are two required forms: Qualifications Cover Sheet and Certification of Company. Are these forms excluded from the proposal page total?

ANSWER Yes. The cover sheet and certification may be excluded from the page total.

QUESTION 10 Appendix A requests detailed information related to 25 items. Would it be acceptable to include this detail in an appendix following our proposal and the pages not count against the proposal page limit?

ANSWER Yes. Respondents may include software and information technology detail (ONLY) in the form of an appendix. No more than five (5) pages of the software and information technology appendix will count toward the proposal page limit.

QUESTION 11 Has IHCD submitted its HAF plan to Treasury and if so, has Treasury approved it?

ANSWER No. IHCD has not submitted its HAF plan to Treasury.

QUESTION 12 There are several RFP requirements regarding the creation of a second mortgage listed in Section 3 Scope of Services (B) Potential Services and (D) Success Factors and Objectives.

- Responding to foreclosure actions and bankruptcies related to HAF second mortgage.
- Obtaining legal descriptions for completion of second mortgages.
- Mortgage delinquency and default risk.
- Mobile closing services.
- Obtaining legal descriptions for completion of second mortgages.

a.) Based on these requirements will IHCD require the successful HAF applicant/homeowner to execute a 2nd mortgage for the HAF grant?

b.) What is the purpose of the creation of a second mortgage; what does it cover mortgage amount and who are the respective mortgagors and mortgagees?

ANSWER All assistance will be structured as a forgivable, non-recourse, non-amortizing loan, secured by a junior lien on the property. The loan has a term of 5 years. The first 20% of the loan will be forgiven Twelve (12) months after the loan closing. The remainder of the loan will be forgiven at a rate of 20% per annum thereafter. If the borrower sells the property before the loan is fully forgiven, all net sale proceeds, up to the full outstanding principal balance at the time of sale, will be due and payable to IHCD.

QUESTION 13 Must the vendor responding to this RFP be in Indiana?

ANSWER No. However, vendors located in different time zones will be expected to make themselves available during IHCD hours of operation.

QUESTION 14 When is the last day to send RFP questions?

ANSWER There is no deadline to submit questions related to the RFP. However, to ensure that questions are answered prior to the RFP submission deadline, IHCD recommends that all questions be asked no later than 72 hours prior to the deadline for RFP submission.

QUESTION 15 What is the IHCD's expectation on build and launch? Is there a targeted timeframe for first distribution?

ANSWER Time is of the essence. IHCD expects to launch in Q3-2021.

QUESTION 16 How many total transactions are estimated? A transaction in this situation is defined as a qualified disbursement of funds.

ANSWER IHCD estimates that as many as 10,000 homeowners may be assisted, however there may be multiple disbursements required for many homeowners.

QUESTION 17 What is the estimated average disbursement?

ANSWER The total amount, per homeowner, on a similar program was \$13,500.

QUESTION 18 Can we expect reporting requirements to be like the rental assistance program we are currently engaged on?

ANSWER Treasury has not release reporting guidance regarding HAF.

QUESTION 19 The Statement of Work specifies services pertaining to the program life cycle from outreach to implementation to closeout support: Prior to initiating operations,

does IHCD A require the following to be included in administrative services for its HAF program:

- a. A pilot program?
- b. Needs assessment?
- c. A plan for submission to Treasury?

ANSWER No. IHCD A does not need any of these three included.

QUESTION 20 Will this program be open to all lenders or just the current IHCD A participating lenders?

ANSWER The program will be open to any lender/servicer for whom IHCD A receives a homeowner application and sign a servicer participation agreement with IHCD A.

QUESTION 21 If the program is open to all lenders, will they be required to go through the IHCD A approval process?

ANSWER Lender/servicers will be required to sign a servicer participation agreement with IHCD A prior to homeowner approval.

QUESTION 22 Does US Bank still serve as the Master Servicer for your mortgage programs?

ANSWER Yes.

QUESTION 23 If a borrower is approved for the HAF program, will the funds go directly to the borrower or the servicer?

ANSWER Funds for this program will NOT be disbursed directly to the borrower.

QUESTION 24 Does IHCD A plan to use their existing program structure, such as the MCC and down payment assistance programs to support the HAF initiative, or will this be a stand-alone project?

ANSWER The HAF program is a stand-alone program.

QUESTION 25 Please provide additional insight into how the loan closing portion of the workflow would happen, including the envisioned handoff to a third-party digital, virtual notary service (with real time video integration).

ANSWER IHCD A issued this RFP to request proposals from qualified vendors capable of designing and implementing a workflow that meets IHCD A's needs as set forth in the proposal. It is up to the responding vendors to present proposed solutions to IHCD A. Any remote notarization must meet the requirements of the Indiana Secretary of State. See information regarding remote notarization

<https://inbiz.in.gov/certification/notary>. IHCDCA would prefer mobile or onsite closings/closers.

QUESTION 26 Please provide additional detail on the extent of the pool of digital, virtual notaries (how many notaries) and will a standard API be used for this integration or will this aspect be handled outside the proposed solution?

ANSWER See answer to question 25. IHCDCA does not have information on the extent of the pool of digital notaries. Any remote notarization must meet the requirements of the Indiana Secretary of State. See information regarding remote notarization <https://inbiz.in.gov/certification/notary>. IHCDCA would prefer mobile or onsite closings/closers.

QUESTION 27 What is the expectation of IHCDCA in terms of loan processing companies and how these entities will be integrated with the overall solution?

ANSWER See answer to question 25.

QUESTION 28 How will the intended solution facilitate a data connection with mortgage servicers?

ANSWER The HAF program will, across all states, utilize a Common Data File (CDF) substantially like the one used for the Hardest Hit Fund Program. The CDF will be in Excel format. Software platforms should be able to integrate the CDF.

QUESTION 29 Will one format be used for the various servicers or will multiple APIs be needed?

ANSWER See answer to question 28.

QUESTION 30 How many mortgage servicers does IHCDCA envision?

ANSWER The number of servicers will be dependent upon the applicant population. The similar Hardest Hit Fund had more than 300 participating servicers.

QUESTION 31 How many payment file formats are needed, and are any other integrations with JP Morgan Chase (as the banking partner for IHCDCA) expected?

ANSWER Payments will be made via ACH, Check, and Wire Transfer.

QUESTION 32 Will any eligibility validations be required to be automated and leverage external service providers (i.e., bankruptcy validation, credit score lookup, etc.) or are self-certifications and underwriter / case manager review sufficient?

ANSWER IHCDCA will not require automated eligibility validations.

QUESTION 33 IHODA indicated that the program will launch in Q3 2021 - are there any specific deadlines that must be met, or key features / milestones that must be delivered within a specific timeframe?

ANSWER At this time, IHODA has not set specific deadlines, however respondents should expect IHODA to push for the earliest feasible launch date.